

MINUTES – JUNE 14, 2012

The Caswell County Board of Commissioners reconvened its meeting at the Historic Courthouse in Yanceyville, North Carolina at 5:30 p.m. on Thursday, June 14, 2012. Members present: Nathaniel Hall, Chairman, Cathy W. Lucas, Vice-Chair, William E. Carter, Jeremiah Jefferies, Gordon G. Satterfield, Kenneth D. Travis and N. Kent Williamson. Also present: Kevin Howard, County Manager and Gwen Vaughn, Finance Director. Paula P. Seamster, Clerk to the Board, recorded the minutes.

MOMENT OF SILENT PRAYER

Chairman Hall opened the meeting with a Moment of Silent Prayer.

BUDGET WORKSHOP Enterprise Funds

Chairman Hall stated “We have Enterprise Funds on the agenda.”

Mr. Howard stated “We have not done the Other Funds I did not know if you wanted to go through those or not. This would be the Fire District, Revaluation Fund, Detention Center Project Fund and other multi-year and agency funds. Those are pretty much set but I did not know if you wanted to look at those. That is in Section 13 starting on page 1.” This is the Special Fire Fund, it is the vehicles taxes collection of \$15.00 and how it is divided up between each fire department.” Chairman Hall stated “I think everybody is familiar with that.”

Commissioner Lucas asked “Do we have a current total on what has been collected?” Ms. Vaughn responded “I will have to get that. I will pull that up in just a minute.”

(At 5:38 p.m. Commissioner Carter entered the meeting.)

Mr. Howard stated “Page 2 shows how that is distributed out to the fire departments.”

Commissioner Lucas asked “What are the contributions from general fund? The \$31,500 is that the rescue?” Ms. Vaughn responded “It is \$10,000 per fire district, \$3,000 per volunteer department and \$1,500 for the chief.”

Mr. Howard continued “Revaluation Fund shows \$50,000 general fund money going into it and \$300 on interest earned on the fund for a total of \$50,300. The county has, year ending June 30, 2012 we will \$195,976 in it. That is an estimate for the fiscal year. We began with \$160,000 and put in \$35,000 and interest is estimated at \$125 so after next fiscal year we will have roughly \$250,000 in there for the next reval.”

Commissioner Lucas asked “Did we get a total on what we paid for the last revaluation?” Mr. Howard responded “It was about \$200,000, I think.”

Chairman Hall asked "When do we have to do a reval?" Mr. Howard responded "You will have to do one effective 2016. You have to do one every 8 years and the last one was in 2008."

Commissioner Travis asked "We were doing it every 4 years right?" Mr. Howard responded "Correct. We put it off. We should have had it in place to go into effect in 2012. We put it off that this and we put it off again this year. You will look at it again next year."

Commissioner Lucas asked "So the balance in that fund now is what?" Mr. Howard responded "\$195,976."

Chairman Hall stated "I assume we will put it on the agenda in July to decide on when to do the next reval."

Commissioner Lucas asked "Do we want to keep appropriating this amount of money every year not knowing when we are going to do the reval?" Chairman Hall responded "We need to decide how much money we are going to put in there."

Commissioner Williamson asked "You said we need around \$200,000?" Mr. Howard responded "I don't know what the cost is now to do a reval but in 2008 and it would have been bided out in 2007 it cost one hundred ninety-nine thousand and something dollars."

Commissioner Satterfield stated "It is going to cost more going an 8 year period rather than a 4 year probably. I don't think we need to do a reval until it becomes necessary to do it. I don't see the need to spend the taxpayer's dollars to go out here and hire somebody to do a reval and we know what is going to happen, the property values are going to be down and that means that this Board of Commissioners will have to raise taxes." Commissioner Lucas stated "Or cut spending." Commissioner Satterfield continued "Well I don't know where you will cut that much spending at. I don't know how you will do that. If you can do that then you can do that this year then." Commissioner Lucas responded "Sure can." Commissioner Satterfield stated "Tell me where we can do it." Commissioner Lucas responded "I have it."

Commissioner Travis stated "Probably the next reval we do will probably cost about \$300,000. We can cut that back to \$25,000 a year as long as we put it in there every year until we get ready to do the reval. But is that the way we need to do it? You can't just take this total amount out because this reval will have to be done in 2016 whether we want it done or not." Mr. Howard stated "We have to actually start it in 2015." Commissioner Travis continued "If I were going to make a suggestion I would not cut over \$20,000 out of that money. That would give you over the next 4 years another \$120,000. If we do a reval and we don't bring back the money that we paid to get the reval done you are wasting tax dollar money bad. If you don't bring in any more than we spend what have we gained."

Chairman Hall stated "Let's talk about what we need to do on this." Mr. Howard stated "She has pulled up the spreadsheet showing since 2001 what has been spent. We are projecting to have \$316,000 by 2015 by putting in \$50,000 this year and \$35,000 the next two years."

Commissioner Travis stated "If we have \$195,000 right now and we put in \$30,000 for 3 years that will be \$90,000 that will be pretty close to \$300,000. I think we will be pretty well in line. We may be a dollar or two over or we may be a dollar or two short but we don't know."

Commissioner Travis moved, seconded by Commissioner Satterfield to budget \$30,000 every year until 2015 towards the reval.

Commissioner Jefferies asked “Why not \$40,000 over the next 3 years? You will have \$120,000. We will know we will have enough money then.” Commissioner Travis responded “We already figured a 50% increase over the last one. I think we will be alright.”

Upon a vote of the motion, the motion carried unanimously.

Chairman Hall stated “So on the reval we will reduce that by \$20,000.”

Mr. Howard stated “Emergency Telephone System Fund. That is the 911 fund.”

Commissioner Travis asked “This is the money we get from the telephone bills?” Mr. Howard responded “Yes sir.”

Commissioner Lucas asked “What is the capital outlay in this?” Mr. Howard responded “It is new furniture for 911.” Commissioner Lucas continued “What is the current balance in the capital fund?” Mr. Howard responded “\$473,942.”

Ms. Vaughn stated “Going back to Commissioner Lucas’ question earlier. The total taxes collected as of May 31st was \$322,712 for vehicle fire for Special Fire District.” Commissioner Lucas continued “So the surplus is going to be?” Ms. Vaughn responded “22,712 so far.”

Commissioner Lucas asked “Go back to page 1 on the Transfers from General Fund, the \$31,500 and the Rescue Operations is that just transferring one place to another or ...?” Ms. Vaughn responded “The transfer to the general fund on the expenditure side and it is transfers out of the expenditure general fund to revenues of the Special Fire District.”

Chairman Hall stated “Now we will talk about the School Capital Reserve Fund.” Mr. Howard stated “What this shows you is Article 40 and 42 are restricted sales tax. Article 42 Hold Harmless is where we have to hold the schools harmless for any lost revenues. We estimate that at \$15,000 and that is general fund appropriation.” Chairman Hall asked “When they say it is restricted, it is restricted for what?” Mr. Howard responded “It has to go towards school capital. That Hold Harmless was all a part of that Medicaid swap where we had to hold the schools harmless in lost revenues. They had to change the allocation for Article 42. It went from a point of sale versus a statewide distribution which tended to bring us more money. We estimated that at \$15,000 but so far this year it has been \$2,670. It averages around \$15,000 a year.” Chairman Hall asked “Where are we getting the Hold Harmless money from?” Mr. Howard responded “It is a general fund appropriation to this fund. It comes out of general fund revenues.” Chairman Hall continued “So we are taking \$15,000 out of our pockets to hold the schools harmless because the state changed the formula?” Mr. Howard responded “Correct, we were mandated to do that by the state.” Chairman Hall asked “What is the threshold?” Mr. Howard responded “I guess when the state tells us we don’t have to.” Chairman Hall continued “There is not a dollar amount?” Mr. Howard responded “No sir.” Ms. Vaughn added “There is

a calculation that is used and as long as the calculation is more than the hold harmless we don't have to put anything in." Chairman Hall asked "Does the state do the calculation?" Ms. Vaughn "No sir." Chairman Hall continued "They give us the methodology. So we are giving them another \$15,000 towards this restricted fund." Mr. Howard responded "Yes sir."

Commissioner Travis asked "Why do you think these numbers are going to be going up?" Mr. Howard responded "The sales tax numbers? The collections this year were higher than projected. The Association sends out a report each year telling each county if they are looking at a 2 or 3% increase in sales tax statewide. They go up based on that as well. We added Wal-Mart this year and Dollar General in Prospect Hill was added about 1 ½ years ago." Ms. Vaughn stated "This number will change. Whatever is collected will transfer over." Commissioner Lucas asked "Do you mean the combination of these two figures here?" Ms. Vaughn responded "the three seventy-five and three seventy-four Article 40 and 42 restricted is also on the revenue side in the general fund side." Commissioner Lucas asked "Is that the current total?" Ms. Vaughn responded "That is our projection of what we expect to receive." Commissioner Lucas continued "Do we have the current total of what is in there?" Ms. Vaughn responded "The total that we have collected to date is one million nine seventy-one."

Mr. Howard stated "Page 15 shows you those expenses going out. \$300,000 goes back to the general fund for the school's capital line. That is in their budget. Then \$304,000 goes to the school bond payment and we project \$61,000 going into this fund for reserve."

Commissioner Satterfield asked "Tell me Ms. Vaughn on the Article 40/42 restricted I know the sales tax revenues are up. How much more are the schools going to get this year than what we actually had budgeted?" Ms. Vaughn responded "This money does not go to the schools." Commissioner Satterfield continued "It does not go to the schools?" Mr. Howard responded "It goes into this fund. This fund will build until you appropriate it to the school system. We don't spend more out of it based on revenues being higher. We spend what we budgeted and then any excess in revenues will stay in this fund until the next fiscal year." Commissioner Satterfield asked "This restricted Article 40/42 can only be used for what?" Mr. Howard responded "School capital." Commissioner Satterfield continued "So it goes to the schools on capital projects?" Mr. Howard responded "Yes sir." Commissioner Satterfield asked "I believe you mention a minute ago about one hundred and fifty thousand in the proposed budget this year for capital outlay?" Mr. Howard responded "That is what we budgeted for the current fiscal year." Commissioner Satterfield continued "Does that come out of this restricted money?" Mr. Howard responded "No sir that is general fund appropriation." Commissioner Satterfield asked "My question is how much more are we going to roll over into this restricted fund can we not use that money for their capital outlay needs?" Mr. Howard responded "Yes sir. When we put this together what we looked at was projected roll over, what their requests were, what the expenses were, trying to keep some type of cushion in this fund as well and that is why we moved \$300,000 out of this fund to cover some of that \$450,000." Commissioner Lucas asked "The \$300,000 is sales tax revenue is that right?" Mr. Howard responded "Yes ma'am, it is restricted sales tax money." Commissioner Lucas continued "And that can only be used for school capital. That did not change? Didn't something change so it could be freed up for debt service?" Mr. Howard responded "That is the lottery funds. They are actually allowing lottery funds for operational costs. I know it was last year but it could have been this current fiscal year as well. We will be

glad to work up how much is in that fund and let you know what that is but we are trying to keep a cushion in there. That is why we did not spend all of it.” Commissioner Lucas asked “Do we need to fund general fund dollars if we already have the money there?” Mr. Howard responded “Let us get the total number. The thought process behind this is if you go into a fiscal year and you have a reduction in sales tax dollars and you had to make the school bond payments then there will be no money in here to cover that drop then we would have to go to the general fund to make up the difference to meet those obligations.” Commissioner Lucas continued “But the school board is sitting on lottery funds that can be used for capital needs?” Mr. Howard responded “Unfortunately we can’t spend that money without them agreeing to spend it as well.”

Chairman Hall stated “I wanted to go back to the school’s fund balance. The school has \$1.2 million in their capital fund that is more than we have. I looked at how they proposed to spend it down to \$25,000 and for a lack of a better word it is a shame what they propose here. I think we need to how if we should fund them \$150,000 towards capital. I am for taking it away. I can’t see giving them more funds now when they have over a million dollars sitting over there.” Commissioner Travis asked “What are you suggesting?” Chairman Hall responded “I am suggesting that we pull the \$150,000 back. You look at their priorities and then look at our needs for the county both capital and current expense. They have a quarter of million dollars budgeted just to put lights on a football field and to renovate their welding shop for the ROTC. If this was that important this could have already been done.” Commissioner Satterfield asked “How much is in our proposed budget here for our capital outlay projects?” Mr. Howard responded “In the proposed budget there is nothing but I was going to get into that when we talked about capital outlay projects. I can do that now as part of this conversation.” Commissioner Satterfield continued “It is part of the conversation it sounds like to me.” Chairman Hall stated “I would like to finish our conversation with the school capital account. We need to make a decision if we are going to do anything or not do anything with that school capital account. They have a total of about four million dollars over there and I suspect this time next year they will not have spent what they are proposing.”

Commissioner Travis moved, seconded by Commissioner Lucas to remove \$150,000 from the school capital fund. The motion carried by a vote of five to two with Commissioners Jefferies and Satterfield voting no.

Mr. Howard stated “Special Separation Trust on page 59. What that is the law enforcement separation allowance. When a law officer retires this will pay the equivalent of what they would receive in social security until they can start collecting social security.”

Commissioner Lucas asked “How many individuals are in that currently?” Ms. Vaughn responded “Two.” Chairman Hall asked “How many years is that.” Mr. Howard responded “That is actually 30 years of service. They have been trying to get that reduce to 25 but they have not been able to get that reduced yet.”

Commissioner Satterfield asked “On health insurance, are we still continuing to pay the health insurance premiums for retirees until they are eligible for Medicare or whatever?” Mr. Howard responded “Yes sir. That is based on years of service. They have to have 30 years to qualify. After so many years we pay 25% towards it, after so many years 50% and then so many years

75%.” Commissioner Satterfield continued “If a law enforcement officer comes on at age 25 or 22 well any county employee as far as that goes at what period of time can they retire and we start picking this up?” Mr. Howard responded “They can retire with 30 years.” Commissioner Satterfield stated “So for 10 years we are going to pay that health insurance premium.” Mr. Howard responded “It is possible but you would have to be here for 30 years. If I started today I would have to stay 30 years to get that benefit to get 100%. It is years of service with Caswell County.” Commissioner Satterfield asked “Is this typical throughout the state to do that?” Mr. Howard responded “There are other counties that do that but I can’t tell you that it is typical that most counties do that. A lot do and the state does it.” Commissioner Satterfield stated “I think this is something that we need to look at. I think this is what has gotten a lot of places in trouble when they are having to pay these retirees benefits.” Chairman Hall asked “Can you get us a schedule on the percentages we pay for the different years of service and how many people are we currently paying their health insurance premiums.”

Commissioner Lucas asked “So we are locally paying this LEA?” Mr. Howard responded “Yes ma’am it is state law. It is just like the law enforcement 401K 5% it is mandated by state law.” Ms. Vaughn stated “We have 23 retirees that receive contributions for their health insurance.”

Mr. Howard stated “Solid Waste Funds in Section 14 page 1. Actually on the agenda for Monday night is the, we sent out RFPs for the hauling and transportation, that is on the agenda for approval Monday night to set that cost for next year.” Chairman Hall asked “Who is doing that now?” Mr. Howard responded “First Piedmont does it now. We sent out 9 RFPS and received 2 back.” Commissioner Lucas asked “Is that in the agenda for Monday night, I have not had a chance to look at it?” Mr. Howard responded “Yes ma’am it is on the agenda for Monday night.”

Commissioner Lucas asked “While we are on Solid Waste, have we done anything with the shed we talked about to cover the recyclables?” Mr. Howard responded “Tim was working on estimates for that. I don’t know what happened with that. I will have to check on that. It has not been built I do know that.” Commissioner Travis asked “Can’t we use inmate service out there to do that?” Mr. Howard responded “That is possible. They don’t have the work crews anymore. We are getting two inmates now every day. They are coming to do different work. They are the ones that did most of the work painting and cleaning the floors at the old senior center to get ready for the Board of Elections move. We are going to have them doing a lot of the projects around the county such as painting windows and fixing things like that. That is a possibility.” Commissioner Travis continued “What I am saying is if we could get them to do the work we would not have to send it out for bids. All we would have to do is get the materials and have them to get started on it.” Mr. Howard responded “They don’t guarantee us the people with the skill set we may need. The maintenance director has the skills to do it. With him as the supervisor it is very possible we could do it in house. I will talk with him about it.” Chairman Hall stated “I went out there twice last year and what I saw was not indicative of what a county landfill should look like. We need to move and we need to recognize that we need something out there. It is like I said earlier we need to look at our priorities and we have a capital fund there are just certain things that we need to do. It is right on the highway so when anybody goes by they can see it.”

Commissioner Lucas stated "Just in a conversation I understand that if we had closed containers, unless we are going to get serious about a recycling program and I don't think we are taking it very seriously building a building just to contain it might not be the best option. The closed top containers would work equally as well instead of just an open top." Mr. Howard responded "The area that causes the most problems is the area where they compact the plastic and cans so we can get more in the containers. It is a concrete area divided up..." Commissioner Satterfield stated "All you need is a roof and some type of mesh." Commissioner Lucas added "A chain length fence will do it." Commissioner Travis responded "A chain length fence won't do it. It is already blowing up in the lot where they store cars now. I would not cost that much to put a shed up there and put tin down the sides of it, on 3 sides of it. If it weren't for those trees it would blow across 86 where that dirt is. I have taken cars to that storage lot and it is all in that storage lot. I am going to be honest with you, it is a shame to see how it looks out there and there is no way you are going to pick up that trash up out there every day." Chairman Hall responded "That is the case when we need to look at what we are doing. They do need to be contained in a shed or something. Staff needs to take a look at it. Someone should have an idea on how to handle that."

Commissioner Lucas asked "On the Indirect Cost line item, the \$65,000 when you receive that where does it go?" Mr. Howard responded "General fund revenue." Commissioner Lucas continued "The Dues & Subscriptions, the \$1500 what is that for?" Mr. Howard responded "Part of that will be the annual fee to have the transfer station out there. We have to pay a fee to DENR every year." Commissioner Lucas asked "On the Capital Outlay, \$17,000?" Ms. Vaughn responded "That is for 3 open top containers." Commissioner Lucas continued "And the new reserve line, the \$65,678 that has not been there before?" Ms. Vaughn responded "That line is there because his revenues exceed his expenditures for this year. Anything that is over and above goes into this fund."

Mr. Howard added "There is something else that I need to bring up, when we adopted the budget for this fiscal year the number in there for the Solid Waste fee was in error. The Tax Director made a request instead of him doing a credit on everybody's taxes next year if you would reduce the fee another dollar for the next fiscal year and then the following year, go back up." Chairman Hall responded "I think that is probably the best way to do it." Mr. Howard continued "So the fee for next fiscal year will be \$83.00 versus \$84.00." Commissioner Lucas asked "And then what will happen the next year." Mr. Howard responded "The Board will have the option to raise it back up if they wanted to. It would not be an automatic thing." Chairman Hall added "We look at this every year."

Commissioner Travis moved, seconded by Commissioner Lucas to reduce the Solid Waste fee from \$84.00 to \$83.00 for the fiscal year 2012-2013. The motion carried unanimously.

Mr. Howard stated "CATS starts on Page 7. This is an enterprise fund. It is completely self-supported. The expenditures are based on the revenues they project to bring in this fiscal year."

Commissioner Lucas asked "Kevin what is the Administrative Reimbursements?" Mr. Howard responded "That is where the state reimburses us for our administrative costs. That would be the salaries for Melissa and Ms. Rainey and then the administrative cost. It is separate from the

actual transportation cost, operational cost which would be the drivers, the vans, the upkeep...” Commissioner Lucas continued “So those dollars are coming out of the state dollars right?” Mr. Howard responded “Yes ma’am. Now that is not all salaries, that is the total operational cost. If you will look at page 11 that administrative line item is broken down.”

Chairman Hall asked “That capital reimbursement that is the trucks and vehicles right?” Mr. Howard responded “Yes sir.”

Commissioner Lucas asked “I remember when we were working on the budget last year you were talking about the legislature changing something with the possibility of losing positions. They were changing the funding, do you remember that?” Mr. Howard responded “I don’t remember.” Commissioner Lucas continued “I was just wondering if we lost a position.” Mr. Howard responded “No ma’am we did not.” Commissioner Lucas stated “I think it had something to do with DSS. I remember talking about this before. They were changing the formula. We were in jeopardy of losing a position at DSS with the CATS money.” Ms. Vaughn responded “The only thing that was in jeopardy would have been the changes in the ROAP funding but it would not have affected a position.”

Commissioner Travis asked “On this Administrative Reimbursement does the county write all the checks for that?” Mr. Howard responded “Yes sir.” Commissioner Travis continued “Well does the county get reimbursed for what the county does for them?” Mr. Howard responded “Yes sir. In the expense there is an indirect cost for them. There is \$27,000 that is transferred from CATS to the general fund to cover the cost of finance and other departments that help out over there.” Commissioner Travis asked “Does that come out of this \$94,416?” Mr. Howard responded “Yes sir it comes out of their fees for service.” Commissioner Travis continued “In other words the county is getting paid for some of it?” Mr. Howard responded “Yes sir. The three departments that were paying indirect costs were Section 8, CATS and Solid Waste. They pay indirect costs. Now we have other departments that pay us rent, USDA pays rent for the use of this building over here and FCS. It is not really an indirect cost. They are just paying for use of the facility.”

Commissioner Lucas asked “Just clear something up for me on the salary part of it. On the administrative reimbursement part of that you said that includes the salaries and some of the cost of operations?” Mr. Howard responded “Yes ma’am.” Commissioner Lucas continued “And then over in the actual budget you have administration at \$49,440 that includes 2 salaries and the part time salaries?” Mr. Howard responded “Yes ma’am.” Commissioner Lucas stated “And then you have operations, the \$71,652 is the drivers only?” Mr. Howard responded “Yes.” Commissioner Lucas continued “And you have \$58,000 in part time salaries there?” Mr. Howard responded “Yes.” Commissioner Lucas stated “It looks like a lot of expense in administration to me. Whose salary is in the \$94,416?” Commissioner Travis responded “Ms. Rainey and Melissa.” Commissioner Lucas continued “And then again in the \$49,440?” Mr. Howard responded “That is the revenue.”

Commissioner Carter asked “I have a question on Page 14, the Vehicle Service & Repairs where the revised budget was \$27,000 and they are anticipating eleven more thousand next year?” Commissioner Travis stated “All of those vehicles are about new.” Commissioner Carter

continued "It was budgeted at \$14,807 this year and now they are proposing \$38,000?" Mr. Howard responded "I imagine what happened with that is they have so much in revenues they have to budget that amount to make it balance. We can't show any money going into reserve with her budget." Commissioner Travis asked "You have to show all of that in expense is what you are saying?" Mr. Howard responded "Yes sir." Ms. Vaughn added "There are two vehicles that are up for replacement. There is a possibility that she is placing more in there just in case they are not replaced." Mr. Howard added "They want be replaced until they have more than 100,000 miles on them."

Commissioner Lucas asked "The Transfer to general fund, the revised budget for \$100,000, when did that take place?" Mr. Howard responded "That was for the capital fund. You all moved \$100,000 out of her fund balance to go into the capital fund last year."

RECESS

The Board took a brief recess.

BUDGET WORKSHOP (cont'd)

Chairman Hall stated "Let's go back to Solid Waste for a minute. A thought that came up at one of our previous budget meetings about the tractor request for Maintenance, the thought was why not have Solid Waste buy the tractor and bill it out to Maintenance whenever they need to use it. That is one way to handle it."

Commissioner Travis asked "Is buying that tractor and bush hog going to pay for itself without having to hire someone to do the bush hogging we are paying for?" Mr. Howard responded "We spend just in the general fund three or four thousand dollars a year to bush hog the Industrial Park and the Lake. The Lake we are going to have to start doing that more often. We only do that once a year and they have told us that we need to do that more often. This will still not allow us to cut the dam. It takes lots of equipment to do that. We could not afford it just to do that little bit." Commissioner Travis continued "The only way you are going to get this tractor around is to drive it everywhere you go." Mr. Howard responded "We will have to look for a trailer. I would not want to drive a tractor from there all the way out to Pelham. The tires would not last any time." Commissioner Travis asked "That is what I am getting at have we even thought about how we will get it around? What size bush hog are you talking about getting?" Mr. Howard responded "I will be a 40 hp tractor and at least an 8 foot bush hog." Commissioner Satterfield stated "You need a 7 foot bush hog with a 40 hp." Commissioner Travis continued "You can't haul that tractor and the bush hog at the same time." Commissioner Satterfield responded "They can pull that tractor with that truck."

Commissioner Jefferies asked "How much did you say we were paying for bush hogging each year?" Mr. Howard responded "Not including the landfill around three to four thousand dollars. The state is going to start making us bush hog the old landfill site to keep the trees down on it so doing that once or twice a year will cost another three or four thousand dollars."

Commissioner Satterfield asked "How much for snow removal? If you are going to buy a tractor you need to get a front end loader on it and a cab for the snow removal if you are going to the expense of buying a tractor." Mr. Howard stated "This was not in my budget." Commissioner Lucas asked "How much are we talking about?" Mr. Howard responded "About \$40,000 to buy the tractor."

Commissioner Carter stated "You know when we had the meeting with the Town of Yanceyville and the Town of Milton we talked about working together on things. That might be something that we can work with the Town on. They have a trailer and a dump truck and a big four wheel drive truck. They might loan that to us to drive the tractor around. I think you would be better off to get a 6 foot bush hog that you can raise up and down."

Chairman Hall stated "I think the key is and why I brought it up is we need to decide if we need one and then we need to decide on the best way to get one. After we decide that then we will need to decide on the size and all the other stuff we need for it."

Commissioner Carter stated "My second suggestion on it is you might want to look at the DOT. I bought a Massey Ferguson with a bush hog when I was working with the Town in the 90s for \$3,000 and I am still using it." Chairman Hall responded "Again first we need to decide if we want to buy one and then what we want to buy and then we will go from there."

Commissioner Satterfield stated "First of all I think we need to have the county manager to find out how much we are spending on the bush hogging and snow removal every year. If we are not spending but \$4,000 a year you are going to be hard pressed to justify buying a tractor." Mr. Howard responded "If you figure what we do now and what we will have to start doing at the landfill you will probably be looking at around \$10,000 a year probably. I will get solid numbers for you but I am thinking about \$10,000 a year. There are other things we could do if we had a tractor with a front end loader. What I did not throw in is it would be used daily at Solid Waste. It would be used to push up the yard waste debris and to move stuff around out there." Chairman Hall stated "Mr. Manager you are going to get us some more information and list everything."

Chairman Hall stated "There are probably two or three things we need to discuss on this budget. We need to make a decision on the COLA and we need to make a decision on the tax rate."

Commissioner Satterfield asked "I have a question Mr. Chairman. I think Section 8 Housing needs to be paying some indirect cost to cover some of their expenses. I think \$50,000 or whatever we were charging is somewhat out of line from what we are charging other people and I don't know what kind of formula they used to come up with the \$50,000 amount but I certainly think they ought to be paying something somewhere near to what CATS is paying, about \$25,000. It is a federal program and I don't think the Caswell citizens should bare the entire burden of the administrative expenses to administer that program. I would recommend some type of indirect cost be assessed for Section 8 and make the adjustment." Mr. Howard responded "If we were to add \$25,000 to their indirect cost and they don't have it in what they are bringing in they would have to cut something out of the administrative dollars. They cannot cut it out of the HAP money which is the leasing money. Say you were looking at \$10,000 you are looking at cutting positions." Commissioner Satterfield continued "They would have to like everybody

else and make the necessary cut to take care of their expenditures.” Commissioner Lucas stated “Maybe we need to look at other departments.” Commissioner Satterfield responded “I don’t have a problem with that. How do we go about setting an indirect cost? Do we set the number?” Mr. Howard responded “No sir, Maximus comes in and does a study. They do a cost allocation study.” Commissioner Satterfield stated “We did not have anybody do a study when we cut \$50,000 out of their budget. I don’t understand why we can’t add something back to them. I understand they were in the position that we had to do something.”

Chairman Hall asked “What is the total staff at Section 8?” Mr. Howard responded “2 full time and 2 part time positions.” Chairman Hall continued “Can we run the program with less than 2 full time and 2 part time positions? If we can’t we will have to start cutting services.” Mr. Howard asked “Are you asking us that question right now?”

Commissioner Lucas asked “How long has that staff been in place?” Mr. Howard responded “It has been 3 full time employees since I have been here.”

Commissioner Jefferies asked “Mr. Manager don’t both of these part time employees work for other departments, one for Inspections and the other for Parks and Recreation?” Mr. Howard responded “Yes sir. What we did last year, so that Mr. Williamson will know since he was not here last year, in the budget last year I asked the Board to do that because we had two part time folks that wanted to go full time and we wanted to keep them because they are good where they are at and it worked out at Section 8 to do that. We have an inspector that does all the inspections that they have to do. He works half the day over there and the other half for Building Inspections. The girl from Recreation helps out in the housing part of it, taking applications and monitoring.”

Mr. Howard asked “So we need to get back to you about Section 8?” Chairman Hall asked “Yes, I guess the question is can it function with any less employees and then also with the adjustment we made this year how much of that can we undo and they still function.” Commissioner Travis added “And we need to know this by Tuesday.”

Commissioner Lucas stated “We need know of any vacant positions that are currently in the county as of now? I know you gave me that list but as of now. And how many new positions are funded in the budget currently.” Mr. Howard responded “There are none in the general fund budget.” Commissioner Lucas continued “You did not recommend a paramedic position?” Mr. Howard responded “No ma’am.” Commissioner Lucas asked “Not in the total salary line?” Mr. Howard responded “No ma’am. The only new position that has been discussed is the position Dr. Moore talked about during his budget with the state funding.”

Commissioner Jefferies asked “Mr. County Manager can you tell us if Section 8 needs the two part time positions?” Mr. Howard responded “I would like to do a little bit of research first. From what I know I can tell you it will be hard based on the houses that they have. To tell you accurately I will have to look at other housing programs to see how many employees they have and how many houses they have. One thing to take into account is other programs also do other things and that is something that we are going to look at doing at Section 8. There are other

federal programs that we can bring in to provide funding and other services. We only do the voucher program right now.”

Chairman Hall asked “Do we want to do a cost of living adjustment for the employees?” Commissioner Satterfield responded “I don’t know yet. I asked the question a while ago what we had in our capital outlay. We only have about twenty-five or twenty-six thousand in contingency, which I don’t think is enough. I don’t know what is in the capital outlay but we have some capital outlay needs.”

Commissioner Lucas asked “What did we use the contingency for last year? Can we get a breakdown on that?” Mr. Howard responded “We did not have a contingency last year. You put everything in the capital improvement fund. Some stuff was spent out of that. The iPads were bought out of that. If we need any money for ambulance repair it was supposed to come out of that but we have not needed to do that. There was no contingency budgeted for this year. When things came up they were taken from the capital fund.” Commissioner Lucas continued “And you have \$26,000 in contingency this year?” Mr. Howard responded “Yes ma’am.”

Commissioner Satterfield asked “Is there money in the Detention Center fund to do a walk through between the detention center and the courthouse?” Mr. Howard responded “There is an allowance budget of \$400,000 to build the connector between the jail and the courthouse. That was part of the original budget when it was adopted. Our initial estimates now to do that, is about \$200,000.” Commissioner Lucas asked “That was not part of the original plan?” Mr. Howard responded “No ma’am we went with an existing plan from Pamlico and to get the construction started they did an allowance of \$400,000 to cover that cost and they would design it while construction was going on. It has been designed and we are getting the cost for that now.” Commissioner Lucas continued “And this is the first time we have heard about that?” Mr. Howard responded “No ma’am we talked about this when we passed the budget and everything.” Commissioner Satterfield added “We discussed that when the building was designed.” Commissioner Carter added “We discussed that a long time ago on how they would carry them from the jail straight to the courthouse.” Mr. Howard stated “When you approved the financing last year it was part of the budget that was adopted.” Commissioner Lucas stated “It just was not in the plans.” Mr. Howard responded “That is correct. They had not done the design for it yet.”

Commissioner Lucas asked “On the detention center project with the new employees being hired, the time line on that...The time line is September 1 does that mean that their pay starts September 1?” Mr. Howard responded “That is what they are anticipating. They may not be hired as of September 1.” Commissioner Lucas continued “Is there any requirement that these positions have to be hired in the county?” Mr. Howard responded “We don’t have a requirement like that on any position. We normally try to hire from within the county when we can but it is not a requirement.” Commissioner Lucas stated “I would like to make that a directive from the Board of Commissioners.” Chairman Hall stated “That will be difficult. It is hard to recruit people in the county. Right now about 75% of our residents work outside the county.” Mr. Howard added “We want to best person for the position.” Commissioner Lucas asked “Who is responsible for the hiring?” Mr. Howard responded “The Sheriff, the Sheriff’s department.”

Commissioner Satterfield asked "What is the increase for capital outlay for PCC this year?" Mr. Howard responded "I think it was \$30,000. That was for their VOIP system and repaving the parking lot." Commissioner Satterfield continued "That bothers me a little bit that we cut the public school system when we don't know what kind of fund balance PCC has. They may have more than the school has. We did not look at their financial sheet. They may not need that \$30,000 as much as our public school system needs it." Commissioner Lucas asked "When did we start funding PCC that amount of money?" Mr. Howard responded "With community college we have the same responsibilities as the public school systems. We are in charge of their buildings and the up keep of the buildings. Traditionally it has been around four or five thousand dollars to go towards basic repairs. Two or three years ago we took \$60,000 out of fund balance to do the roof over there. As part of his budget this year he asked for money to replace carpet, repave their parking lot and they are putting VOIP on their main campus and they want to put it on this campus as well to reduce their overall operating cost. I don't think we give them enough to build a fund balance. We give them about \$4,000 a year to do their normal maintenance over there." Commissioner Satterfield continued "I am not necessarily talking about what we give them to build a fund balance, I am talking about do they get any monies out of the lottery?" Mr. Howard responded "No sir, not for capital no sir." Chairman Hall stated "Since you mentioned that I always have to come back to this county government. If you look at our parking lots for our buildings, that is a disgrace. We totally ignore what we have."

Commissioner Lucas asked "Are the Health Department revenues up?" Commissioner Satterfield responded "Yes, Home Health is the reason the county does not have to pay more than what we do. Each year Home Health has been able to put about \$200,000 into the budget to reduce county cost."

Chairman Hall asked "Mr. Manager I think at the last meeting we had questions about foreclosure. How much money has been collecting on foreclosures?" Mr. Howard responded "The tax director has not given me that information yet."

Commissioner Lucas asked "I have a question about EMS salaries and part time salaries. What are the current totals? And shouldn't it be the same as last year in the regular salary line item?" Ms. Vaughn responded "We have had staff changes from basic to paramedic on some of those. There is a change in the percentage from EM to EMS. I think there was a 90% in EM and 10% in EMS and now it is 50/50, 50% for the director and 50% for the assistant director." Commissioner Lucas continued "I looked at that number and I don't think that could possibly be right because if you divide the EM salaries between those two salaries that would make the assistant making over \$70,000 a year. There has to be something else in that line item." Mr. Howard responded "We took half of his salary and half comes from the EMS budget and half comes from the EM budget. It is not additional money."

Chairman Hall asked "Before we move on there are two things that we need to get a consensus on. First do we want to do a cost of living adjustment?" Commissioner Carter responded "I know we have talked about a percentage raise. I went back and looked at the list of employees. I would be more in favor of giving the lower paid people more than the higher paid people. I went back and looked at the salaries of people making under \$30,000. We have employees making under \$25,000. I would be in favor of breaking the raises down to 4, 3 and 2 percent. I

can bring that to the next meeting.” Commissioner Lucas responded “I am not prepared to make a decision tonight.” Commissioner Travis responded “I am interested in looking at it.” Commissioner Jefferies responded “Yes.” Commissioner Satterfield responded “I have not made a decision yet.” Commissioner Williamson responded “I am interested in looking at it.” Chairman Hall continued “The next thing is do we want to have a tax increase?” Commissioner Williamson responded “It depends on the need. If we have to cut our employees wages or nothing like that then yes but looking at the overall budget I think we can go in there and find dollars that we can cut then no.” Commissioner Satterfield responded “No I am not interested in a tax increase. We have saved \$170,000 tonight.” Commissioner Jefferies responded “No.” Commissioner Travis responded “No.” Commissioner Lucas responded “No, I not only have a way to give a possible pay raise but also cut the tax rate. I am not in favor of a tax increase.” Commissioner Carter responded “I am like Mr. Williamson.” Commissioner Travis asked “How about you?” Chairman Hall responded “No I am not in favor of one.”

Chairman Hall stated “I wanted to get a general feel so we when we come back together we can wrap this up. We need to schedule the next meeting date.”

RECESS

At 7:45 p.m. Commissioner Travis moved, seconded by Commissioner Jefferies to recess until Wednesday, June 20, 2012 at 5:30 p.m. The motion carried unanimously.

Paula P. Seamster
Clerk to the Board

Nathaniel Hall
Chairman
